NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

Note 1 - Reporting Entity

Miami-Dade County, Florida (the "County") is an instrumentality of the state of Florida established by an amendment to the Florida State Constitution adopted May 21, 1957 as the Dade Board Home Rule Charter, to carry on a centralized government. The Mayor, an elected official, serves as head of the County government and as the presiding officer of the County Commissioners (the "Commissioners") with the authority to designate another member of the County to serve as presiding officer. The County, comprised of thirteen elected members, is responsible for the legislative and fiscal control of the County. The County Manager is responsible for the administrative and fiscal control of all County departments through the administration of directives and policies established by the County. The Mayor has the authority to appoint and remove the County Manager subject to Commission approval. The Mayor has veto authority over any legislative, quasi-judicial, zoning master plan or land use decision of the County, including the budget or any particular component contained therein which is approved by the County. The Commission may override a veto with a two-thirds vote of the Commissioners present.

The financial reporting entity, under which the financial statements are prepared include all the organizations, activities, functions, and component units for which the County (Primary Government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's Board, and either (1) the County's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the County.

Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in the County's financial statements because of the nature and significance of their relationship with the primary government. Component units are included in the reporting entity either as blended or as discretely presented component units. All funds/departments are regarded as one legal entity, therefore, the financial position and results of operations of the funds/departments are reported as part of the primary government.

The Clerk of the Circuit and County Courts of Dade County, Florida, Eleventh Judicial Circuit of Florida (the "Clerk"), is an elected official pursuant to Article V of the Florida Constitution. The principle functions of the Clerk are to provide support to the Courts (Civil, Criminal and Traffic) and to assist the County in performing the ex officio duties of the County Auditor, Custodian of the Public Funds and County Recorder. In 1973 the County adopted a resolution, with the concurrence of the Clerk, to establish the Clerk's Office as a "budgetary" office as provided for in the Florida Statutes. In accordance with this resolution, the County provides for all of the operating expenses of the Clerk in the County's annual operating budget and the Clerk remits all fees and other monies earned through the agency funds to the County for appropriation. The Clerk prepares individual financial statements that reflect this activity period for fiscal period ended September 30, 1999.

Note 2 - Summary of Significant Accounting Policies

The following is a summary of the County's significant accounting policies presented to assist the reader in understanding the financial statements.

Basis of Presentation

The County records its financial transactions in various individual funds and account groups. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts which is segregated for the purpose of carrying on specific activities or attaining certain objectives. All of the financial information included herein is presented on the basis of a fiscal year ended September 30, 1999.

The County's reporting structure reflects three fund types and two account groups as follows.

Governmental Fund Types

Governmental Funds are those which are used to account for most general governmental functions of the County. The measurement focus of these Funds is based upon determination of changes in financial position or the financial flow measurement focus, rather than upon net income determination. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of available, spendable resources during the period.

The following are the County's Governmental Fund Types:

General Fund - used to account for the general operations of the County and all transactions which are not accounted for in other funds or account groups.

Special Revenue Funds - used to account for revenues from specific taxes or other revenue sources which are designated to finance particular functions or activities in accordance with administrative requirements.

Debt Service Funds - used to account for the payment of principal and interest on all outstanding long-term obligations except those payable from Proprietary Funds.

Capital Projects Funds - used to account for resources segregated for the acquisition or construction of designated fixed assets except those financed by Enterprise Funds.

Proprietary Fund Types

Proprietary Funds are used to account for County operations which are similar to those often found in the private sector and to account for risk management activities. The measurement focus of these Funds is the determination of net income, through matching revenues earned with the expenses incurred to generate such revenues, or the capital maintenance measurement focus. All assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (total assets less total liabilities) is segregated into contributed capital and retained earnings (deficit) components.

The two proprietary fund types are reported as enterprise funds and internal service funds. Enterprise Funds account for operations where goods or services are provided to the general public. Internal Service Funds account for operations where goods or services are provided by one department or unit to other departments or units of the departmental agency.

The following are the County's Proprietary Funds:

- Miami-Dade County Transit Agency, (the "Transit Agency").
- Miami-Dade County Department of Solid Waste Management, (the "Solid Waste Management").
- Miami-Dade County Seaport Department, (the "Seaport").
- Miami-Dade County Aviation Department, (the "Aviation Department").
- Miami-Dade Water and Sewer Department, (the "Water and Sewer Department").
- Public Health Trust of Dade County, Florida, (the "Public Health Trust").
- Miami-Dade County Rickenbacker Causeway, (the "Rickenbacker Causeway").
- Miami-Dade County Vizcaya Art Museum, (the "Vizcaya Art Museum").
- Miami-Dade County Housing Agency / Public Housing Division, (the "Housing Agency").
- Self Insurance Internal Service Fund.

Fiduciary Fund Type

Trust and Agency Funds - used to account for assets held in a trustee capacity or as an agent for other funds, governmental units and others. All County trust funds are of an expendable nature. The measurement focus for the Expendable Trust Funds are the same as for Governmental Funds, while Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Account Groups

The two account groups in this financial report are used to provide accounting control and accountability for the County's general fixed assets and general long-term debt. These two account groups are:

General Fixed Assets - used to account for the general fixed assets of the County other than those of the Enterprise Funds.

General Long-Term Debt - used to account for the long-term obligations of the County, with the exception of revenue bonds payable from specified revenues of various Enterprise Funds.

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

All Governmental Funds, Expendable Trust Funds and Agency Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues, intergovernmental revenues and interest income are the significant revenue sources considered susceptible to accrual. Current and prior year property taxes billed but uncollected as of the end of the fiscal year are reflected in the accompanying financial statements as delinquent taxes receivable with an offsetting allowance account, as these amounts are not considered to be available to finance current operations. Delinquent taxes are recognized as revenue during the fiscal year in which they are collected. Expenditures are generally recognized when the related liability is incurred, except for principal and interest on long-term debt and accumulated vacation and sick pay benefits.

Resources from grants, included in the Special Revenue Funds and certain Capital Project Funds, are recognized as revenues to the extent of expenditures made under the provisions of the grants. Funds received before the revenue recognition criteria have been met are reported as deferred revenues.

The Proprietary Fund Types use the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when obligations are incurred or when benefits are received. Revenue for the Public Health Trust is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Application of FASB Standards

Governmental Accounting Standard Board ("GASB") Statement No. 20, *Accounting and Financial Reporting for Proprie-*

tary Funds and Other Governmental Entities that use Proprietary Fund Accounting, offers the option of following all Financial Accounting Standards Board ("FASB") standards issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements, or not following FASB standards issued after such date. The County elected the option to follow all applicable GASB and applicable FASB pronouncements issued on or before November 30, 1989.

Reclassification and Total (Memorandum) Columns

Information presented for fiscal year 1998 is for comparative purposes only and certain balances have been reclassified to conform to the 1999 presentation. The amounts reflected in the total columns of the accompanying financial statements are not comparable to a consolidation and are captioned "memorandum only" as they do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Bond Discount and Issuance Costs

Discounts on revenue bonds of the Aviation Department are amortized using the bonds outstanding method over the life of the bonds. Discounts on all other revenue bonds are amortized over the life of the related bond issues, using the interest method or the straight line method if it does not differ materially from the interest method. Bond issuance costs are capitalized and amortized using the straight line method over the life of the bonds.

Refunding of Debt

For current and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. The difference in these amounts, to the extent unamortized, is accounted for as an element of the carrying cost of the related debt.

Budget Requirements

State of Florida Statutes require that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices. Every September the County holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of Budget Ordinances effective for the ensuing fiscal year. The County's budgeting process is based on estimates of revenues and expenditures. The budgets so adopted are either appropriated or non-appropriated in nature. Funds that have appropriated budgets cannot legally exceed their appropriations. The budgetary control over funds that have non-appropriated budgets are dependent on other enabling ordinances, such as Bond Ordinances, in which expenditure authority extends many years into the future.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require Board approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between funds/departments require the approval of the County. Beginning fund balances, available for financing current appropriations, are considered in the budgetary process but are not included in the financial statements of the Governmental Fund Types as budgeted revenue. All appropriations within the Governmental Fund Types lapse at year end. Budget to actual comparisons are reflected in the financial statements of the General Fund, Special Revenue and Debt Service Funds for which the County has legally adopted annual appropriated budgets. Project-length financial plans (non-appropriated budgets) are adopted for all Capital Projects Funds.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types consistent with generally accepted accounting principles and are presented in the financial statements inclusive of all amendments to the original appropriation. The amounts shown in the financial statements reflect the original budgeted amounts and all amendments and supplements approved through December 1999. For the fiscal year, there were two supplemental appropriation ordinances adopted on July 13, 1999 and December 7, 1999, increasing total appropriations by $108,020,000.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with maturity dates, within three months of the dates acquired by the County.

The County adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which establishes accounting and financial reporting standards for all investments, including fair value standards. As the statement permits, non-participating investments are reported at amortized costs which approximates market. All other investments, participating investments, are carried at fair value and unrealized gains and losses due to variations in fair value are taken into income for the year.

The provisions of GASB No. 31 also specify that the investment income of each fund be reported in the fund that is associated with the assets. If the investment income is assigned to another fund for other than legal or contractual reasons, the income has to be recognized in the fund that reports the investment, with an operating transfer to the recipient fund. The County has made the needed adjustments to the accompanying financial statements to ensure compliance with this provision.

Retained Deficits

As of September 30, 1999, the Transit Agency and Solid Waste Management Enterprise Funds and the Self Insurance Internal Service Fund had retained deficit balances totaling $97,212,000, $8,747,000, and $60,888,000 respectively.

The Transit Agency deficit is the result of non-reimbursable depreciation and a continued operating deficit which management is actively working to eliminate. The deficit in the Solid Waste Management fund is a result of the assumption of $90 million postclosure care liabilities for two inactive landfills acquired in 1996, pursuant to agreements with various Federal and State agencies. The deficit has been reduced significantly by changes in the postclosure liability estimates and will continue to be offset by the excess of revenue over expenditures in future years and amortization of the postclosure liability. The Internal Service fund deficit is a result of the incurred but not reported (IBNR) liability. The County currently partially funds IBNR liability and has steadily increased such coverage in recent years. It is the County's intent to continue increasing its coverage of IBNR in future years as funding flexibility permits.

Employee Benefits

The County's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from service. In the Governmental Fund Types the cost of vacation and sick pay benefits is recognized when payments are made to employees. A long-term liability of $204,687,000 for accumulated vacation and sick pay benefits at September 30, 1999, has been recorded in the general long-term debt Account Group, representing the County's commitment to fund such costs from future operations. The Proprietary Fund Types accrue vacation and sick pay benefits in the period they are earned.

The County accounts for compensated absences by recording a liability for employees' compensation for future absences according to the guidelines set by GASB Statement No. 16, *Accounting for Compensated Absences.*

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with the Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary to future years. The deferred compensation is not available to employees until termination, retirement, death, or unforseeable emergency.

Encumbrances

Appropriations of governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. Encumbrances at year end do not constitute expenditures or liabilities. They are accounted for as a reservation of fund balance in the year the commitment is made. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance provides for the reappropriation of year end encumbrances.

Grants from Government Agencies

Certain operating grants under various Federal and State programs are included in the Special Revenue Funds. Grant monies received are disbursed by these funds for goods and services as prescribed under the respective grant program or are transferred to other County funds for ultimate distribution under the terms of the grants. These programs are dependent on the continued financial assistance of the State and Federal governments.

Grants to Enterprise Funds which are designated for use in acquiring property or equipment are recorded as equity contributions in the fund benefited. Those grants designated as operating subsidies are recorded as non-operating revenue in the respective funds upon the County's compliance with the eligibility requirements related to the grant.

Grants received as reimbursements for specific purposes are recognized when the corresponding expense or expenditure is incurred. Grants received but not earned are recorded as deferred revenues.

Interest

General fixed assets of the County do not reflect capitalized interest cost. Interest in the Enterprise Funds is charged to expense as incurred except for interest expense related to borrowings used for construction projects, which is capitalized net of interest earned on construction funds borrowed. Interest capitalization ceases when the construction project is substantially complete. Net interest capitalized during fiscal 1999 amounted to $21,451,687.

Inventories

Inventories, consisting principally of materials and supplies held for use or consumption, are recorded at cost for Governmental Fund Types and lower of cost (first-in, first-out method) or market for the Enterprise Funds, except for the Transit Agency, Water and Sewer and the Public Health Trust. These Enterprise Funds use the average cost method.

Inventories reported for Governmental Fund Types are recorded under the purchase method of inventory accounting, and are therefore equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources for appropriation.

Receivables

Special Revenue Fund mortgages receivables arise from the County's housing development programs which provide low income housing assistance to eligible applicants. At September 30, 1999, an allowance of $96,734,000 has been established to reflect the estimated uncollectable portion of the outstanding mortgages receivable.

Accounts receivable of the County are presented in the financial statements, net of an allowance for uncollectible accounts of approximately $152,549,000, which is related to Enterprise Fund operations.

Fixed Assets, Depreciation and Depletion

Fixed assets are recorded at cost, except for contributed fixed assets which are recorded at fair value at the date of contribution. Expenditures for maintenance, repairs, and minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as fixed asset additions.

The fixed assets of the Governmental Fund Types are recorded in the General Fixed Assets Account Group. Improvements, other than to buildings, and infrastructure assets are not reported since these assets are immovable and of value only to the County. Depreciation is not provided on assets reflected in the General Fixed Assets Account Group.

The fixed assets of the Proprietary Fund Types is recorded in the respective Enterprise Funds' accounts. Depreciation expense is provided on fixed assets recorded in the Enterprise Funds using the straight-line method over the estimated useful lives of the assets which range as follows:

Buildings and building improvements	5-50 years
Utility plant and systems	5-100 years
Roads, bridges and other improvements	10-50 years
Furniture, fixtures, machinery and equipment	3-30 years

Depreciation expense applicable to the Transit Agency's, Solid Waste Management's and Water and Sewer's assets acquired with contributed resources is transferred from retained earnings to the related capital contributions account. These contributed resources were grants, entitlements, or shared revenues which were externally restricted for the purpose of acquiring fixed assets. Depreciation is not provided on art objects since they are considered to have no determinable useful life.

When fixed assets are disposed, the related costs and accumulated depreciation are removed from the accounts, with gains or losses on disposition being reflected in operations.

The Solid Waste Management records depletion on landfill sites and the estimated cost of permanently capping and maintaining such landfills on the basis of capacity used.

Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

No accrual for the property tax levy becoming due in November 1999 is included in the accompanying financial statements since the legal right to receive these taxes occurs on November 1, 1999, and such taxes are collected to finance expenditures of the fiscal year ending September 30, 2000.

Impact Fees

Assets held in trust in the Capital Projects Funds of $104,922,000 represents the impact fees collected from developers for public infrastructure and/or capital improvements that may be refunded upon request, if the funds are not expended or encumbered within a specific time period.

Restricted Assets and Reserves

Specific Enterprise Fund assets are required to be segregated as to their use and are therefore identified as restricted assets. Assets are restricted pursuant to donor specifications and restrictions arising from various bond indenture agreements. The indenture agreements further require that, for certain restricted assets, offsetting reserves be established by charges to retained earnings (see Note 10).

Special Assessment Debt

Special assessment debt is payable solely from special assessments collected by the County as agent for property owners and does not constitute an obligation of the County. At September 30, 1999, such bonds outstanding aggregated to $6,900,000 and, accordingly, are not included in the accompanying financial statements.

Note 3 - Cash, Cash Equivalents and Investments

The County pools substantially all cash, cash equivalents and investments, except for separate cash and investment accounts which are maintained in accordance with legal restrictions.

Each fund's equity share of the total pooled cash, cash equivalents and investments is included on the accompanying financial statements under the caption "Cash and cash equivalents" and "Investments."

At September 30, 1999, the County's cash and cash equivalents and investments included the following (in thousands):

Cash	$ 76,310
Certificates of deposit	5,042
Total cash and interest-bearing deposits	81,352
Investments (including cash equivalents)	3,684,433
Total cash and cash equivalents and investments	$3,765,785

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

Cash Deficits

As of September 30, 1999, the Transit Agency had a cash deficit balance of $12,727,000. It is the County's practice to report cash deficits with a corresponding interfund receivable/payable in the appropriate fund. These cash deficits have been funded with cash advances from the County's General Fund. As of September 30, 1999, the Transit Agency is pending reimbursement from grantor agencies for the cash deficit in the capital projects of $6,097,000, the remaining cash deficit of $6,630,000 is attributable to operating expenditures in excess of cash receipts. Management is in the process of eliminating the cash deficit through timely collection of grants receivables and other one time funding sources.

Investments

Investments are made in accordance with the provisions of Chapter 125.31 (1) Florida Statutes, and County Ordinance 84-47, "Investment and Reinvestment of Surplus Funds."

The County is authorized to invest in obligations of the U.S. Government, its agencies and instrumentalities, commercial paper, banker's acceptances, repurchase agreements, certificates of deposit, and the Local Government Surplus Funds Trust Fund.

The County's investments are categorized to provide an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the County's name.

The tabular presentation which follows presents the County's investments (including cash equivalents) in terms of risk assumed at September 30, 1999 (in thousands):

	Category 1	Category 2	Category 3	Fair Value
U.S. Government and Agency Securities	$1,456,640	$215,170	$ 201,276	$1,873,086
Repurchase Agreements	1,138	8,332	111,365	120,835
Commercial Paper	904,219	169,336		1,073,555
Bankers Acceptance	27,088			27,088
	$2,389,085	$392,838	$312,641	$3,094,564
Guaranteed Investment Contracts				224,624
Investments held by State				365,245
Total Investments (including cash equivalents)				$3,684,433

Note 4 - Contributed Capital

During the year contributed capital increased (decreased) by the following amounts (in thousands):

	Transit Agency	Solid Waste Management	Seaport	Aviation Department	Water and Sewer	Public Health Trust	Rickenbacker Causeway	Vizcaya Art Museum	Housing Agency Public Housing Division	Total Enterprise Funds
Contributions at October 1, 1998	$1,380,074	$75,497	$60,199	$342,760	$926,625	$331,505	$2,161	$7,120	$18,591	$3,144,532
Grants	48,011		32,563	6,349		18,334				105,257
Developers					20,670					20,670
Customers					1,734					1,734
Connection Charges					24,236					24,236
Other		12,233			763					12,996
Current Year Depreciation	(43,753)	(8,120)		(11,073)	(30,213)					(93,159)
Contributions at September 30, 1999	$1,384,332	$79,610	$92,762	$338,036	$943,815	$349,839	$2,161	$7,120	$18,591	$3,216,266

Note 5 - Fixed Assets

Changes in fixed assets of the County for the fiscal year ended September 30, 1999 are as follows (in thousands):

DESCRIPTION	Balance October 1, 1998	Additions	Deletions	Balance September 30, 1999
General Fixed Assets:				
Land	$ 304,387	$4,722		$309,109
Building and building improvements	1,178,139	25,183		1,203,322
Furniture, fixtures, machinery and equipment	502,448	49,235	$27,053	524,630
Construction in progress	443,679	26,154	12,714	457,119
Total	$2,428,653	$105,294	$39,767	$2,494,180
General Fixed Assets by Function:				
Policy formation and general government	$ 555,373	$35,184	$25,713	$564,844
Protection of people and property	643,222	27,859	5,142	665,939
Mental and physical health	63,311	1,919	5	65,225
Transportation	59,794	3,905		63,699
Socio-economic environment	601,996	13,362	2,824	612,534
Health	160,740	3,875	291	164,324
Culture and recreation	344,217	19,190	5,792	357,615
Total	$2,428,653	$105,294	$39,767	$2,494,180
Enterprise Funds:				
Land	$ 513,607	$ 7,255	$ 9	$ 520,853
Building and building improvements	3,926,427	187,030	4,436	4,109,021
Utility plant and systems	1,693,049	166,934	8,479	1,851,504
Roads, bridges and other improvements	865,323	13,245	2,045	876,523
Furniture, fixtures, machinery and equipment	2,125,774	134,755	31,562	2,228,967
Construction in progress	830,152	479,183	504,618	804,717
Total	9,954,332	988,402	551,149	10,391,585
Less: Accumulated Depreciation	(2,681,144)	(308,346)	(37,912)	(2,951,578)
Total	$ 7,273,188	$ 680,056	$513,237	$ 7,440,007

Operating Leases

Aviation - The major portion of the Aviation Department’s property, plant and equipment is held for lease. A substantial portion of the leases are cancelable and provide for periodic adjustment to rental rates to maximize operational flexibility. The noncancelable lease agreements also provide for periodic adjustments to the rental rates. In addition, the Aviation Department leases certain properties under management and concession agreements. Certain of these leases provide for minimum rentals plus a specified percentage of the tenants’ gross revenues. All leases are classified as operating leases.

At September 30, 1999, minimum rentals under such lease agreements are as follows (in thousands):

Year Ending September 30,	
2000	$ 53,003
2001	45,979
2002	35,462
2003	28,465
2004	22,769
Total	$185,678

General Segment - During fiscal year 1998, the County entered into a three party Lease/Sublease agreement with Dana Commercial Credit Corporation ("Dana") regarding the leasing rights of the Stephen P. Clark Center (the "Metro Center"). The terms of the Lease/Sublease agreement provide for the leasing of the County's leasing rights of the Metro Center to a third party, Wilmington Savings as trustee for Redade, a subsidiary of Dana, which in turn subleases the asset back to the County for a period of 29 years, commencing June 1, 1998. During this time period, the County retains title and control of the facility.

At closing, the County received a total of $79 million. $3.7 million of the $79 million are considered an up-front payment and was recognized as revenue in fiscal year 1998. $57 million of the remaining $75.3 million was deposited with a financial institution and the proceeds will be used to meet the payment obligations by the County under the sublease agreement and the remaining $18 million will mature to an amount sufficient, approximately $49 million, to fully defease its sublease obligations and buy-out option, 17.5 years subsequent to the commencing date. It is management's intent to exercise the purchase option allowed under the agreement in the year 2015. The total minimum lease payments of approximately $128 million will be amortized on a straight-line basis over the life of the lease term. This Lease/Sublease agreement has been accounted for as a non-cancelable operating lease as part of the Special Revenue Funds. The future minimum lease payments which are amortized on a straight-line basis to include the buy-out option, are as follows (in thousands):

Year Ending September 30,	
2000	$ 3,013
2001	3,038
2002	3,078
2003	3,120
2004	3,165
Thereafter	112,214
Total	$127,628

Transit Agency - During fiscal year 1997, the County entered into a three party lease-in/lease-out arrangement ("Lease 1") with the Bank of New York Leasing Corporation for a total of 134 commuter rail cars. The agreements provide for the lease of the equipment owned by the County to a financial party lessee and the lessee, in turn, subleases such equipment back to the County for a period ranging from 22 to 24 years commencing May 1997. At the time of the transaction, the County received from the financial party lessee the total minimum rental payments required under the lease of approximately $95 million. The minimum rental payments received are amortized on a straight-line basis over the life of the lease terms.

The County deposited $70,350,000 with a financial institution sufficient to meet all of its payment obligations under the terms of the sublease and acquired $17,583,000 in United States Treasury Strips which would mature to an amount sufficient to satisfy each agreement's purchase of the Head Lease Rights option. The funds on deposit and the United States Treasury Strips have been included as restricted assets in the accompanying financial statements.

In December 1999, the County entered into the second of three lease-in/lease-out arrangements ("Lease 2"). The agreement which was entered into with NationsBanc Leasing and Finance, provided for the lease of six different facilities owned by the County to a financial party lessee and the lessee, in turn, subleased the facilities back to the County for a period of 35 years. At the time of commencement, the County received from the financial party approximately $133 million.

The County deposited approximately $120.9 million with a financial institution sufficient to meet all its payment obligations under the terms of the sublease agreement and buy-out options, ranging 19 to 20 years subsequent to the commencing date. The funds are reported in the same manner as Lease 1.

The subleases have been accounted for as non-cancelable operating leases. Future minimum lease payments which are amortized on a straight-line basis over the lease term as follows (in thousands):

Year Ending September 30,	Lease1	Lease2
2000	$ 14,574	$ 4,173
2001	14,574	8,029
2002	9,661	8,098
2003	13,548	8,098
2004	13,623	8,034
Thereafter	80,798	201,977
Total	$146,778	$238,409

Note 6 - Segment Information for Enterprise Funds

The County maintains nine Enterprise Funds which provide bus and rail transportation, waste collection and disposal, seaport, airport, water and sewer, hospital, causeway, cultural services and housing. It is the intention of the County to maintain adequate rate structures or provide subsidies to sustain the future operations of its Enterprise Funds.

Separate financial statements are issued for each enterprise fund, and may be obtained from the County's finance department or the individual component units (addresses following the statistical section).

Segment information for the year ended September 30, 1999 is as follows (in thousands):

									Housing Agency	
	Transit Agency	Solid Waste Management	Seaport	Aviation Department	Water and Sewer	Public Health Trust	Rickenbacker Causeway	Vizcaya Art Museum	Public Housing Division	Total Enterprise Funds
Operating Revenues	$ 81,750	$183,342	$ 64,550	$ 451,883	$ 377,752	$ 650,588	$ 5,331	$ 2,514	$ 5,220	$1,822,930
Depreciation Expense	51,474	15,720	13,830	100,791	89,025	27,561	633	9	1,177	300,220
Operating Income (Loss)	(221,459)	15,705	19,297	40,858	104,119	(225,487)	1,845	105	(1,109)	(266,126)
Intergovernmental Subsidies	51,853	2,535			1,901				2,680	58,969
Operating Transfers In	103,430	520	25			217,049				321,024
Operating Transfers Out		872			25,849					26,721
Net Income (Loss)	(42,601)	11,049	1,329	(53,993)	48,323	9,739	1,584	213	1,234	(23,123)
Current Capital Contributions	48,011	12,233	32,563	6,349	47,403	18,334				164,893
Fixed Asset Additions	86,662	32,294	72,234	329,382	334,712	130,471	86	71	2,490	988,402
Fixed Asset Deletions	41,474	19,622		199,330	207,445	83,094	176		8	551,149
Property and Equipment, Net	1,318,242	244,665	468,608	2,217,735	2,776,110	349,543	23,935	8,706	32,463	7,440,007
Total Assets	1,555,581	378,063	540,916	2,692,897	3,886,559	1,018,248	29,398	11,212	41,899	10,154,773
Net Working Capital (Deficiency)	(4,267)	51,485	9,363	29,597	115,605	49,648	1,250	2,235	(3,051)	251,865
Bonds, Loans and Notes Payable, net from Operating Revenues		152,763	404,910	1,701,633	1,770,186	194,007	3,845		10,622	4,237,966
Unreserved Retained Earnings (Deficit)	(97,212)	(8,747)	18,735	261,382	789,129	101,248	19,112	3,537	1,608	1,088,792
Total Fund Equity	$1,287,120	$ 70,863	$ 111,497	$ 658,577	$1,951,820	$ 577,779	$24,223	$10,657	$26,760	$4,719,296

Note 7 - Self-Insurance Program

The County's Risk Management Division administers property, workers' compensation and liability self-insurance programs. Certain group health insurance programs are also self-insured, subject to certain stop-loss provisions. These programs are administered by an independent administrator.

The master property self-insurance program (which covers most County properties) covers the first $1 million per occurrence of property losses for most perils. Insurance coverage is maintained with independent carriers for property losses in excess of self-insured retentions up to $524 million countywide. Named windstorm coverage is limited to $500 million per occurrence countywide with a 1% deductible (minimum $1 million per location) with a minimum $5 million per occurrence and maximum $25 million per occurrence.

The County maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the respective funds and determined based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. However, various liability and property programs are purchased from independent carriers due to exposure to loss and/or contractual obligations. During fiscal year 1999, there were no significant changes in insurance coverage. Settlements did not exceed coverage for any of the three past years.

The Risk Management Division also administers the self-insurance program for the Enterprise Funds. The Public Health Trust and Water and Sewer only participate in the workers' compensation and health self-insurance programs. The Trust maintains their own self-insurance programs for automobile, general, and professional liability. Water and Sewer has established a self-insurance program for general and automobile liability exposures.

The Aviation Department also pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up and property insurance. The airport liability coverage provides comprehensive general liability, contractual liability, personal injury and on-site automobile liability at all airports. The Aviation Department has a recorded liability of $1,300,000 for estimated claims payable not covered by the policies due to self-insured retention limits.

The estimated liability for reported and unreported insurance claims of the self-insurance programs administered by the Risk Management Division (the "Division") is determined annually based on the estimated ultimate cost of settling claims, using past experience adjusted for current trends, and any other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and the application of historical experience. The estimate of incurred but not reported (IBNR) losses is based on historical experience and is determined by an independent actuary.

At September 30, 1999, the total estimated liability for short and long-term is $46,569,000 and $86,382,000, respectively, for all reported claims and claims incurred but not reported net of discount of $30,949,000 computed based on a projected rate of 5%.

Changes in the Internal Service Fund estimated liability amount for fiscal years 1998 and 1999 is as follows (in thousands):

	Workers Compensation	General Liability	Auto Liability	Group Health	Police Liability	Other	Total
Balance at October 1, 1997	$ 78,791	$14,786	$ 8,928	$ 8,800	$ 5,153	$ 1,870	$ 118,328
Claims paid	(20,699)	(4,423)	(6,019)	(62,220)	(1,734)	(3,364)	(98,459)
Claims and changes in estimates	23,348	(522)	9,897	58,646	11,896	1,915	105,180
Liabilities as of September 30, 1998	$ 81,440	$ 9,841	$ 12,806	$ 5,226	$15,315	$ 421	$ 125,049
Balance at October 1, 1998	$ 81,440	$9,841	$ 12,806	$ 5,226	$ 15,315	$ 421	$ 125,049
Claims paid	(22,944)	(2,591)	(6,165)	(59,583)	(2,245)	(3,184)	(96,712)
Claims and changes in estimates	16,060	16,849	(708)	63,457	5,772	3,184	104,614
Liabilities as of September 30, 1999	$ 74,556	$ 24,099	$ 5,933	$ 9,100	$18,842	$ 421	$ 132,951

Changes in the estimated liability for the Water and Sewer Department and Public Health Trust for fiscal years 1998 and 1999 is as follows (in thousands):

	Water and Sewer Department	Public Health Trust	Total
Balance at October 1, 1997	$24,765	$37,630	$62,395
Claims paid	(1,206)	(841)	(2,047)
Claims and changes in estimates	(3,156)	7,350	4,194
Liabilities as of September 30, 1998	$20,403	$44,139	$64,542
Balance at October 1, 1998	$20,403	$44,139	$64,542
Claims paid	1,319	(6,295)	(4,976)
Claims and changes in estimates	(192)	2,987	2,795
Liabilities as of September 30, 1999	$21,530	$40,831	$62,361

General Long-Term Obligations

General long-term obligations of the County include general and special obligation bonds, installment purchase contracts and loan agreements that are payable from property tax levies and specific revenue sources. These long-term obligations, which currently bear interest at rates ranging from 3.5% to 8.45%, represent obligations of the County as a whole and not of its individual constituent funds.

As of September 30, 1999, the County has $14,295,000 of special obligation bonds that are due within seven days of demand by the holder at a price equal to principal plus accrued interest. The County's remarketing agent is authorized to use its best efforts to sell the repurchased bonds at par by adjusting the interest rate.

Under standby bond purchase agreements (the "Agreements") issued by a bank, the fiscal agent can draw amounts sufficient to repurchase the bonds if they cannot be resold by the remarketing agent. In the absence of monies available under the Agreements, the monies will be drawn under irrevocable letters of credit. The Agreements and letters of credit expire on December 1, 1999, October 12, 1999 and February 1, 2000 for the Equipment Bonds Series 1987A, Equipment Bonds Series 1988A, and the Capital Asset Acquisition Bonds Series 1990, respectively. There were no amounts outstanding under the Agreements or letters of credit as of September 30, 1999.

The County is required to pay an annual commitment and remarketing fee based on a percentage of the outstanding principal amount of the bonds. This fee totaled $55,855 for the 1999 fiscal year.

A summary of debt service requirements to maturity of general and special obligation bonds and loan agreements is as follows (in thousands):

Maturing in	General Obligation Bonds			Special Obligation Bonds			Housing Agency Public Housing Division		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2000	$ 39,725	$ 24,237	$ 63,962	$ 54,548	$ 29,989	$ 84,537	$ 22,633	$ 6,447	$ 29,080
2001	42,780	21,099	63,879	53,933	26,814	80,747	4,494	6,227	10,721
2002	42,110	17,682	59,792	50,945	24,964	75,909	4,466	5,981	10,447
2003	33,540	14,319	47,859	53,376	23,113	76,489	4,680	5,749	10,429
2004	18,160	12,023	30,183	38,666	23,610	62,276	4,881	5,505	10,386
2005-2009	46,960	45,439	92,399	147,701	109,943	257,644	24,709	21,249	45,958
2010-2014	46,875	29,340	76,215	172,651	116,840	289,491	24,509	12,996	37,505
2015-2019	51,876	12,742	64,618	199,244	139,275	338,519	14,882	5,751	20,633
2020-2024	20,510	2,308	22,818	192,894	160,528	353,422	8,334	1,615	9,949
2025-2029	-	-	-	222,385	200,528	422,913	124	11	135
2030-2034	-	-	-	280,738	268,190	548,928	-	-	-
2035-2038	-	-	-	250,150	83,644	333,794	-	-	-
Less: Unaccreted Value	-	-	-	(719,203)	-	(719,203)	-	-	-
Total	$342,536	$179,189	$521,725	$ 998,028	$1,207,438	$ 2,205,466	$113,712	$71,531	$185,243

Changes in outstanding long-term obligations are summarized as follows (in thousands):

	General Obligation Bonds	Special Obligation Bonds	Housing Agency Public Housing Division
Outstanding October 1, 1998	$358,571	$ 892,547	$117,172
New issue	26,000	164,431	
Defeased		(35,792)	
Principal retired	(42,035)	(47,522)	(3,460)
Accretion		24,131	
Other		233	
Outstanding September 30, 1999	$342,536	$998,028	$113,712

Changes in other general long-term obligations include the following (in thousands):

	Balance October 1, 1998	Additions	Deletions	Balance September 30, 1999
Accrued vacation and sick pay benefits	$190,263	92,429	(78,005)	$204,687
Accrued health insurance benefits	21,212	3,818	(3,114)	21,916
Arbitrage liability	2,093	1,206	(1,360)	1,939
Contingencies	9,592	2,606	(592)	11,606
Total	$223,160	100,059	(83,071)	$240,148

Revenue Bonds and Other Debt

The County's revenue bonds and loans are payable from specified revenues of various Enterprise and Internal Service Funds. The County is required to maintain and adjust its rate schedules and fees such that revenues will be sufficient to fund debt service requirements when due and maintain debt service reserves as specified in the debt agreements.

Maturities and changes in outstanding debt are as follows (in thousands):

Maturing in	Bonds		Loans	
Fiscal Year	Principal	Interest	Principal	Interest
2000	$ 101,396	216,562	9,878	$ 9,946
2001	107,112	215,800	53,375	9,639
2002	112,848	210,199	13,363	9,177
2003	116,044	204,495	14,019	8,849
2004	121,851	198,514	14,489	8,168
2005-2009	689,217	884,772	72,665	32,433
2010-2014	604,145	703,758	73,224	17,450
2015-2019	714,270	529,980	40,082	7,431
2020-2024	864,870	313,770	22,105	1,806
2025-2029	607,925	84,186	2,325	
2030-2034	52,460	2,623		
	$4,092,138	3,564,659	315,525	$104,899
Less:				
Unamortized Discount & Deferred Amt.	(129,042)			
Premium	545			
Total	$3,963,641	3,564,659	315,525	$104,899

Changes During the Fiscal Year	Bonds	Loans
Outstanding October 1, 1998	$3,881,037	$252,372
New issues	300,000	69,761
Retired	(88,899)	(6,608)
Outstanding September 30, 1999	$4,092,138	$315,525
Range of interest rates	1.0-8.8%	2.56-6.0%

Statement of Interest Rate Swap Positions

In connection with the Series 1993 Refunding Bonds, the Water and Sewer Department has entered into three interest rate swaps. In two of the interest rate swap agreements, the interest owed to the counterparties of the swaps is calculated at a variable rate and the amount owed from the counterparties is based on a fixed rate. In other interest rate swap, the Water and Sewer Department pays BMA/.604 and the counterparty pays LIBOR + 1.28%. The Water and Sewer Department has also entered into an interest rate swap agreement in connection with the Series 1994 Revenue Bonds for the outstanding period of the Bonds, the Department pays a fixed rate of 5.28% and the counterparty pays the variable rate on these bonds.

If the counterparties to the swaps default, or if the swaps are terminated, the Department will be exposed to the rates established in each bond issue. A termination of any swap agreement may result in the Department making or receiving a termination payment. The counterparties to the interest rate swap agreements are large international brokerage and insurance firms and, accordingly, the County believes there is little risk of counterparty nonperformance.

The following table summarizes interest rate swap agreements for the year (in thousands):

		Notional	County Pays		Counterparty Pays		
Swap	Counterparty	Amount	Description	$ Amount	Description	$ Amount	Term
Water & Sewer Series 1993	Merril Lynch Capital Services Inc.	$175,000/ 215,000	Variable Rate	$ 5,551	Fixed - 4.85%	$ 8,487	9/19/01- 6/15/08 W/option to terminate 12/15/02
Water & Sewer Series 1993	Rice Financial Products Co.	40,000	Variable Rate	1,271	Fixed - 9/98-9/99 5.42% 9/99-9/00 6.13% 9/00-9/01 7.14%	2,168	9/19/01 W/option to terminate commencing 9/18/99
Water & Sewer Series 1993	Rice Financial Products Co.	114,500	BMA/.604	2,282	LIBOR + 1.28%	3,679	10/01/13
Water & Sewer Series 1994	AIG Financial Products Corp.	422,405	Fixed - 5.28%, Remarketing Fee & LOC Charges	22,212	Variable Rate	13,095	10/05/22

Long-Term Obligations

The table below describes bonds and loans that were issued during the year (in thousands):

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Amount Issued
	Bonds:				
11/05/98	Aviation Revenue Bonds, Series 1998C	To finance certain airport improvements.	4.40% - 5.25%	10/01/28	$150,000
12/02/98	Miami-Dade County General Obligation Bonds (Parks Program) Series 1998	To finance capital improvements and acquisition of neigh-borhood and regional parks, beaches, natural areas and recreational and heritage facilities.	4.2% - 6.0%	11/01/23	26,000
12/17/98	Special Obligation Bonds (Courthouse Center Project) Series 1998A	To finance the costs of certain Courthouse facilities improvements.	3.0% - 4.75%	04/01/20	5,110
01/21/99	Public Service Tax Revenue Bonds, (UMSA Public Improvements) Series 1999	To finance part of the cost of the Quality Neighborhoods Initiative Program (“QNIP”) for the unincorporated municipal areas.	4.0% - 5.25	10/01/23	77,640
03/16/99	Stormwater Utility Revenue Bonds, Series 1999	To finance part of the costs of of improving the County’s Stormwater System. Regarded as the second component of the QNIP.	3.0% - 5.0%	04/01/24	41,580
05/05/99	Water and Sewer System Revenue Bonds, Series 1999	To finance improvements to the County’s Water & Sewer System.	5.0%	10/01/29	150,000
	Loans:				
10/06/98	Sunshine State Loan	Provide matching funds for grants received to finance certain cruise terminal and cargo berthing improvements and payment of loan expenses.	Variable	10/01/23	20,605

Long-Term Obligations (continued)

The table below describes bonds and loans that were issued during the year (in thousands):

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Amount Issued
	Loans: (continued)				
09/28/99	Sunshine State Loan	Provide matching funds for grants received to finance certain cruise terminal and cargo berthing improvements and payment of loan expenses.	Variable	10/01/24	36,000
09/30/99	State Revolving Fund	To finance construction of wastewater treatment facilities.	2.65% - 3.23%	2029	13,156

The following table summarizes refunding debt issued during the year (in thousands):

Date	Description	Amount Issued	Amount Defeased	Deferred Charge	Cash Flow Difference	Economic Gain
	Bonds:					
12/17/98	Special Obligation Refunding Bonds Courthouse Center Project Series 1998B	$38,320	$33,625	N/A	$2,478	$1,616
10/29/98	Special Assessment Revenue Bonds (Country Club of Miami Taxing District) Series 1998A	1,781	2,167	N/A	1,353	842

Defeased Debt

The County defeased certain debt as listed in the table below (in thousands), by placing the proceeds of new bond issues in an irrevocable trust to provide for all future debt service payments on the defeased debt. Such proceeds are invested in direct obligations of the US Government and, in the opinion of the County and its Bond Counsel, will provide for all future debt service payments on the defeased debt. Accordingly, the trust account's assets and the liability for the defeased debt are not included in the accompanying financial statements.

Type	Series	Date of Defeasance	Call Date	Final Maturity Defeased	Principal Amount Defeased	Principal Outstanding September 30, 1999
Special Obligation Bonds:						
Guaranteed Entitlement	A	12/27/85	02/01/08	02/01/08	$ 65,000	$27,295
" "	1985	06/06/95	02/01/00	02/01/03	49,137	33,559
" "	1990	06/06/95	02/01/06	08/01/14	49,749	49,448
Sports Franchise Facilities Tax	1992A	07/09/98	10/01/02	10/01/02	1,675	1,675
" "	1992B	07/09/98	10/01/11	10/01/11	59,609	59,609
" "	1992B1	07/09/98	10/01/98	10/01/12	805	Redeemed
" "	1995	07/09/98	10/01/30	10/01/30	30,162	30,162
Special Obligation (CDT)	1996B	12/18/97	10/01/08	10/01/33	75,120	75,120
Special Obligation (Courthouse Center)	1994	12/17/98	04/01/04	04/01/19	19,795	19,795
" "	1995	12/17/98	04/01/05	04/01/20	13,830	13,830
Special Obligation (Country Club of Miami)	1998	10/29/98			2,167	Redeemed
Total Special Obligation Bonds Defeased					$367,049	$310,493
Revenue Bonds and Loans:						
Aviation Department	C	08/15/85	10/01/98	10/01/07	$ 35,705	Redeemed
" "	U	07/29/98	10/01/98	10/01/06	82,990	Redeemed
" "	W	07/29/98	10/01/02	10/01/07	24,000	$ 24,000
" "	1995B	07/29/98	10/01/05	10/01/24	80,000	80,000
Solid Waste	1985A	01/07/97	10/01/00	10/01/10	15,857	7,141
Rickenbacker Causeway	1983	08/29/85	10/01/08	10/01/08	5,225	5,225
Public Facilities	1979	07/13/83	10/01/99	10/01/99	8,450	775
" "	1993	08/20/98	06/01/18	06/01/18	64,790	Redeemed
Seaport	B,F,G	08/01/78	12/01/01	10/01/02	10,205	2,245
"	1979	10/25/88	04/01/04	10/01/09	17,265	11,865
"	1990E	09/29/95	10/01/00	10/01/15	15,610	15,610
"	1992	01/01/96	10/01/01	10/01/26	138,260	138,260
Water System	1992	12/23/93	06/01/02	06/01/04	36,245	19,845
Pollution Control	X	12/23/93	07/01/01	07/01/12	43,700	34,600
" "	H	12/23/93	07/01/99	07/01/04	22,430	Redeemed
Total Revenue Bonds and Loans Defeased					$600,732	$339,566

Debt Authorized but Unissued

As of September 30, 1999, the County has authorized but not issued the following:

a) $1,280,000 of general obligation bonds for general public improvements;

b) $25,655,000 of general obligation refunding bonds to advance refund all or portion of certain criminal justice general obligation bonds;

c) $705,000 Causeway Revenue Bonds;

d) $34,020,000 of Guaranteed Entitlement Refunding Revenue Bonds;

e) $247,500,000 of general obligation bonds for capital improvements for County airports to be paid by Aviation net revenues, if issued;

f) $35,700,000 Equipment Floating/Fixed Rate Special Obligation Bonds;

g) $131,474,000 of general obligation bonds for capital improvements to the County's water and sewer system, to be paid by Water and Sewer net revenues, if issued;

h) $17,895,000 special obligation bonds for Miami-Dade Fire and Rescue District (District) to be used for the capital facilities in the District;

i) $8,026,000 Professional Sports Franchise Facilities Tax Revenue Bonds;

j) $318,000,000 Aviation Revenue Bonds for improvements to airport facilities (the "1995 Authorization");

k) $2,397,000,000 Aviation Revenue Bonds for improvements to airport facilities (the "1996 Authorization");

l) $500,000,000 Aviation Revenue Bonds for improvements to airport facilities (the "1997 Authorization");

m) $400,000,000 Aviation Bond Anticipation Notes to pay costs for improvements to airport facilities;

n) $730,000 Seaport Revenue Bonds to pay the cost of capital improvements to certain Seaport Department passenger terminal facilities;

o) $15,805,000 Water and Sewer System Revenue Bonds to finance the cost of capital improvements to the water and sewer systems of the County;

p) $50,000,000 Solid Waste System Bond Anticipation Notes to pay the costs of improvements to, and new capital project for, the Solid Waste System of the County;

q) $90,000,000 Solid Waste System Revenue Bonds to pay the outstanding Solid Waste System Bond Anticipation Notes and any additional improvements to, and new capital project for, the Solid Waste System of the County;

r) $124,000,000 General Obligation Bonds to provide funds for parks programs for regional parks, beaches, unincorporated areas and grants to municipalities;

s) $7,360,000 Public Service Tax Revenue Bonds to finance part of the cost of the Quality Neighborhoods Initiative Program; and

t) $3,420,000 Stormwater Utility Revenue Bonds to finance part of the cost of the Quality Neighborhoods Initiative Program.

Note 9 - Defined Benefit Pension Plan

The County participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of the full time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970, and those employed prior to 1970 who elect to be enrolled, are covered by the System. Benefits under the plan vest after ten years of service. Employees who retire at or after age 62, with ten years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

Pension costs for the County as required and defined by State statute ranged between 10.15% to 21.16% of gross salaries for fiscal year 1999. For the fiscal years ended September 30, 1999, 1998 and 1997, the County contributed 100% of the required contributions. These contributions aggregated $207 million, $256 million, and $248 million, respectively, which represents 14.59%, 19.5% and 19.5% of covered payroll, respectively, and 6.67% of the total contributions required of all participating agencies for fiscal years 1999, 1998 and 1997.

A copy of the System's June 30, 1999 annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, Fl 32399-1560 of by calling (850) 488-5706.

Note 10 - Enterprise Funds Restricted Assets and Reserves

Restricted assets and reserves of the Enterprise Funds at September 30, 1999, represent bond proceeds designated for construction and restricted for debt service, maintenance and improvements under the terms of outstanding bond agreements. Restricted assets also include those assets restricted by donors for specific purposes within the Public Health Trust.

Assets restricted for debt service are for the payment of bond principal and interest. Assets restricted for reserve maintenance are for the payment of unusual or extraordinary maintenance or repairs of Enterprise Fund properties. Construction fund assets are restricted for capital projects. General reserve assets may be applied to make up deficiencies in the aforementioned funds or used in general operations if there are insufficient non-restricted assets to meet operating expenses.

At September 30, 1999, assets were restricted for the following purposes (in thousands):

Debt service	$ 344,380
Reserve maintenance	145,723
Improvement and construction	775,340
General reserve	371,335
Donor restricted assets	325,965
Capital grants receivable and construction advances	16,542
Total	$1,979,285

For certain assets resulting from operating revenue restricted under bond agreements, ordinances, and other contractual agreements, a reserve is established by charging retained earnings (deficit) in an amount equal to the restricted assets less any related liabilities. When the restricted assets are expended, the reserves are restored to retained earnings (deficit).

The following is a summary of reserves at September 30, 1999 (in thousands):

Debt service	$ 70,395
Reserve maintenance	142,319
General reserve	201,524
Total	$414,238

Note 11 - Contingencies and Commitments

Environmental Matters

In 1993, the Aviation Department entered into a consent agreement (the “Agreement") with the Department of Environmental Resources Management (“DERM") under which the Aviation Department agreed to correct a number of environmental violations as a result of the failure by various Aviation Department tenants to comply with their environmental obligations at Miami International Airport including those facilities previously occupied by Eastern and Pan Am.

In 1999 an engineering study was further updated to reflect new estimated costs that may have occurred during the past year to correct the environmental violations noted in the Consent Agreement. As a result of the updated study, the estimated range of the cost to correct such violations at September 30, 1999 range from $127 to $249 million. The wide range of cost estimates for cleanup is due largely to uncertainties as to the nature and extent of environmental damages and the methods which must be employed for their remediation. Such amounts are expected to be paid by the Aviation Department over 16 years. Management believes that no specific amount in the range represents a better estimate of the ultimate liability. As a result, the Aviation Department has recorded a liability of $127 million in the Port Authority Properties at September 30, 1999. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from the operations of the Aviation Department.

During May 1998, a new Consent Agreement (“State Consent Agreement") was signed with the State of Florida Department of Environmental Protection (“FDEP"). The State Consent Agreement encompasses and replaced the DERM agreement and included additional locations where contamination exists or is suspected. The Aviation Department included locations where contamination is suspected under a “protective filing". Under this “protective filing", should FDEP ever require the Aviation Department to remediate these locations, the State of Florida would be required to incur all remediation costs greater than $200,000 for each site.

In February 1999, the Aviation Department settled with FDEP, its Inland Protection Trust Fund (IPTF) case concerning the clean-up of the sites formerly occupied by Eastern Airlines which are petroleum contaminated and are eligible for reimbursement. The settlement allocates $1.7 million per year for a period of five years, to cleanup those sites which impact the current Capital Improvement Program. The Aviation Department has also applied for $40 million of reimbursable costs from the State IPTF for eligible petroleum cleanup costs. As of September 30, 1999, the Aviation Department received approximately $20 million and in October 1999, the Aviation Department received an additional $4 million. The Aviation Department has submitted additional supporting documentation to the State towards the recovery of an additional $14 million.

In addition, a portion of the land at Miami International Airport was a former military base that was originally included on the National Priorities List. The Aviation Department was named as a Potentially Responsible Party (“PRP") along with the Department of Defense and the company who operated the military base on behalf of the Department of Defense. The Department of Defense has undertaken an investigation to determine the existence of other PRP’s. Applicable federal law imposes joint and several liability on each PRP for the cleanup of such sites and as a result, the Aviation Department may be responsible for remediation costs attributable to other PRP’s who are unable to pay their share of remediation cost. The Aviation Department cannot estimate at this time its share of the total cost of remediation due to a number of uncertainties including, but not limited to, the method and extent of remediation, the percentage of remediation costs attributable to the Aviation Department, and the financial capabilities of other identified PRP's. Preliminary estimates of the total remediation costs of this site range from $78 to $182 million.

In addition to the remediation activities described above, the Aviation Department will also incur remediation costs to meet clean soil requirements as a result of future development. Such amounts are not considered a liability until such time when the future development is committed to by the Aviation Department. It is estimated that these remediation activities will be in excess of $38 million over the next 11 years.

The liability recorded by the Aviation Department does not include sites at Miami International Airport for which remediation is the responsibility of the Miami International Airport tenants. FDEP and DERM are working directly with the responsible tenants in connection with the remediation activities. In addition, the liability recorded by the Aviation Department does not include an estimate of any environmental violations at the four general aviation airports or at the Training and Transition Airport. Management is of the opinion that such amounts not remediated by the tenants, will not have an adverse effect on the financial position of the Aviation Department.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those occupied by Eastern and Pan Am. The studies estimate the cost to correct such damage related to all buildings to be approximately $6.2 million. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department management to make certain modifications to the buildings which would require the Aviation Department to correct such matters.

FDEP has not approved the use of Risk Based Corrective Action ("RBCA"), which management believes will result in a reduction of the recorded liability. After RBCA is approved, the Aviation Department will have an independent engineering firm update the cost estimates. Accordingly, no adjustments have been made to the liabilities recorded as of September 30, 1999 as a result of RBCA.

In 1993 the County, on behalf of the Water and Sewer Department, entered into two settlement agreements with the Florida Department of Environmental Protection (FDEP) and one consent decree with the U.S. Environmental Protection Agency (EPA) whereby the Water and Sewer Department will accelerate its improvement program of the wastewater system, subject to a schedule of stipulated penalties if certain established completion dates are not met. A second and final consent decree was entered into in 1995. One of the two FDEP settlement agreements has recently been terminated. In relation to the second one, very limited restrictions on new sewer construction may occur in certain areas of the County until adequate capacity becomes available in the wastewater system.

In December 1997, an Administrative Order on Consent ("AOC") with EPA became effective which addresses alleged violations of federal and state law regarding underground treated sewage injection wells and effluent discharges at a wastewater treatment plant. As required by the AOC, the Water and Sewer Department will conduct hydrogeological studies to determine the nature of the concerns and take appropriate action, if necessary. A Consent Order with FDEP which is intended to operate in conjunction with the AOC was executed by the parties and became effective on March 1, 1999.

The County in conjunction with eighty other parties are deemed potentially responsible for a highly contaminated site located in Broward County. The federal and state environmental agencies have not yet agreed upon the appropriate remedy required. However, based on various clean-up options under consideration, estimates for the ultimate clean-up of the site may range from $375,000 to $2,000,000 for all parties involved. The County has not recorded any provision for remediation activities related to this site in the accompanying financial statements since the County's portion of the liability cannot be determined at this time.

Tonnage Guarantee

The County operates a resource recovery facility (the "Facility") capable of processing 936,000 tons per year and generating up to 50 megawatts of electricity. The Facility is operated pursuant to a Third Amended and Restated Operations and Maintenance Agreement (the "Amended Agreement") with a private entity (the "Company"), which expires on October 31, 2013. Solid waste is delivered to the Facility from the Department's (the "Solid Waste") transfer stations and directly from municipal customers and private haulers. Garbage and trash is processed into refuse derived fuel and then burned in four boilers which produce steam to turn two turbine generators.

Payments made to the Company by the Department under the Amended Agreement are based on certain delivery and processing guarantees as well as electric revenues from the sale of electricity generated by the plant and purchased under a power purchase agreement by Florida Power Corporation.

In order to finance ongoing plant enhancements, a future retrofit of the boilers to meet forthcoming Clean Air Act Standards, a recyclable trash improvements ("RTI") project to augment the County's recycling objectives and other additional improvements to the plant, the County issued, on behalf of the Company, the Dade County, Florida Adjustable Tender Solid Waste Industrial Development Revenue Bonds ("IDBs"), Series 1988, Series 1989 and Series 1990A. IDBs were redeemed with proceeds from the sale of $182.7 million Dade County, Florida Resource Recovery Facility Refunding Revenue Bonds (the "Series 1996 Bonds"). The Series 1996 Bonds are limited obligations of the County, payable solely from and secured only by an irrevocable pledge of a lien on the Trust Estate created pursuant to the Trust Indenture. The principal balance of the bonds outstanding at September 30, 1999, is $140.6 million. Bonds proceeds were loaned to the Company under the terms of the Loan Agreement, dated September 1, 1996, between the County and the Company requiring the Company to make payments to the County in such amounts and at such times as will provide sufficient funds to pay the principal and interest on the Series 1996 Bonds when due. The Loan Agreement between the County and the Company has been assigned to the Trust Estate. The County has not pledged any revenues or property (including the Facility) as security for the Series 1996 Bonds. The Series 1996 Bonds are conduit debt obligations and are, therefore, not reflected in the accompanying financial statements. Pursuant to the Amended Agreement, the Company has assigned all tipping fees and other operating revenues due from the County directly to the Trustee in an amount which, at a minimum, will equal the debt service requirements on the Series 1996 Bonds.

The County has guaranteed to deliver, for processing at the Facility, 936,000 tons per year of On-Site Waste unless garbage is unavailable for delivery due to circumstances beyond the County's control. In the event the County guarantees to deliver not less than 702,000 tons per year of On-Site Waste and at least 270,000 tons per year in Recyclable Trash, if the County fails to meet these guarantees, the County will be required to pay the agreed tipping fees as if it had in fact delivered the guaranteed tonnage. As of September 30, 1999 the County was in compliance with the tonnage guarantees.

In addition to the tonnage guarantees, the County has also covenanted to establish rates at a level that will provide receipts in an amount sufficient to meet its obligation for minimum tipping fees under the Amended Agreement. In the event such receipts are insufficient, the County has covenanted that as long as the Series 1996 Bonds are outstanding, it will appropriate in its annual budget, to the extent permitted, available non-ad valorem revenues in an amount sufficient to meet its obligation for minimum tipping fees. This appropriation must be in accordance with the budgetary procedures provided by the laws of the State of Florida.

For fiscal year 1999, the County paid $40.3 million in tipping fees to the Company. The rates charged for tipping fees as of September 30, 1999 were $26.88 per ton for on-site waste processing other than tires and $62.33 per ton for shredded tires. These rates are adjusted annually for the consumer price index. The tipping fee for RTI processed tons was $23.91 per ton. Fuel and other by-products not returned to County facilities from RTI received a credit of $1.45 per ton as a recycle credit fee. In addition, the County also paid a Capital Improvements Project tipping fee of $6.09 per ton.

Concurrent with the issuance of the Series 1996 Bonds, the County entered into an interest rate swap agreement for purposes of converting the fixed interest payments on the Series 1996 Bonds into variable rate payments. Based on this agreement which is part of the Trust Estate, the Trustee pays amounts based on interest calculated at a variable rate to the counterparty to the swap, while the counterparty pays to the Trustee amounts based on interest at a fixed rate. The agreement by the counterparty to make payments to the County under the swap agreement does not affect the County's obligation under the Trust Indenture to pay the principal of and interest on the Series 1996 Bonds. Should interest rates increase significantly, the County could be exposed to increased payment obligations through increased tipping fees.

On October 23, 1997, the County entered into a second swap agreement to take advantage of the interest rate savings between the variable taxable and tax exempt rates. This Agreement provides for the Trustee to pay interest at a fixed rate to the counterparty in the swap. The counterparty, in turn, pays the Trustee interest at a *taxable* variable rate. If the counterparty defaults or if the swap is terminated, the County will be exposed to the rates established in the Series 1996 Bonds. Termination may result in the Trustee making or receiving a termination payment.

In the event of termination, the County must find a successor operator. This operator will be required to assume the Company's obligations under the Amended Agreement and trust Indenture, or pay the Trustee an amount equal to the higher of (1) the Unamortized Capital Cost or (2) the minimum tipping fee amounts due under Section 7.1.9 of the Amended Agreement. The aggregate amounts of estimated minimum Tipping Fees, to be paid under the Amended Agreement for future fiscal years are as follows:

Fiscal Year (in thousands)	Amount
2000	$ 51,105
2001	50,908
2002	50,707
2003	47,296
2004	47,076
Thereafter	412,721
Total	$659,813

The amounts above represent the County's share, net of the Company's contract share and the effect of the fixed to variable rate swap arrangement ("Swap1") generating positive cash flows. The amounts are based on minimum processed tons of 936,000 in fiscal year 2000 and annually thereafter. The amounts were computed using fiscal year 1999 rates.

Disposal Contracts

The County, as part of its Strategic Plan, has also entered into waste disposal contracts with two private regional disposal facility providers, Waste Management of Florida, Inc. ("Waste Management") and Wheelabrator South Broward, Inc. ("Wheelabrator"). Under the terms of the Waste Management Agreement, the County must deliver, or direct to be delivered, a minimum of 100,000 tons per year to a landfill located in the City of Medley. The County may dispose of a combined total of up to 500,000 tons per year at that site or the Central Sanitary Landfill located in Pompano Beach. This contract is for 20 years with disposal fees fixed at $24.50 per ton until October 1, 1999. They will be adjusted annually for increases in the CPI.

The Wheelabrator contract term is for one year with annual renewal options for six years and a mutual renewal option for an additional three years. Disposal fees were fixed at $26.50 per ton until January 1, 1999. Disposal fees will be adjusted for increases in CPI annually thereafter. The County must deliver, on request, up to 100,000 tons per year. Disposal fees paid by the County for fiscal 1999 were $26.90 per ton. As of September 30, 1999, the County was in compliance with both contracts.

Construction Commitments

Contracts and commitments relating to to the completion of Metromover amounted to $7,437,000 at September 30, 1998. Approximately 80% of the commitments will be funded from Federal and State sources.

As of September 30, 1999, Water and Sewer, Public Health Trust, Aviation, and Solid Waste Enterprise Funds had major construction commitments totaling $80,415,000, $41,321,000, $223,584,300, and $37,800,000 respectively.

The Reserve for Encumbrances at September 30, 1999, for the Capital Project Funds reflect construction commitments entered into by the County. The following table sets forth these commitments by program classification (in thousands):

Street and Safety Improvements	$50,838
Recreational Facilities and Cultural Improvements	3,646
Public Safety Facilities	8,800
Judicial and Correctional Facilities	3,228
Physical Environment	10,660
General Governmental Facilities	908
Total	$78,080

Closure and Postclosure Care Costs

Current laws and regulations require the County to place final covers on landfill cells as they are closed, and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as "closure and postclosure care" costs. The County was in compliance with these requirements as of September 30, 1999.

At September 30, 1999, the County's total liability for landfill closure and postclosure care costs was approximately $118.8 million. For 1999, $48.1 million relates to active landfills and $70.7 million relates to inactive landfills.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No. 18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (the "Statement"). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the balance sheet date, (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period, even though the majority of the costs will not be disbursed until the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste are recognized entirely in the period of the change.

Expenditures for closure and postclosure care are funded from bond proceeds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the "Code"). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater.

Active Landfills - Active landfills consist of the North Dade Landfill (ND), the South Dade Landfill (SD), and the Resources Recovery Ashfill (RR).

The liability balance as of September 30, 1999 of $48.1 million, represents an increase of $3.5 million when compared to the preceding year. This increase resulted from the net effect of (1) $7.7 million in charges in the current period to amortize the estimated liability based on the use of approximately 69.6% of the existing landfill capacity, (2) a $3.9 million reduction in the department engineers' estimate of closure and postclosure care costs for the Resources Recovery Ashfill, and (3) $303,000 in current period expenditures.

Unrecognized costs of approximately $43.5 million as of September 30, 1999, will be amortized on a current basis as the existing estimated capacity of approximately 9.3 million tons at September 30, 1999 is used. This estimated capacity is expected to last until 2011 based on current waste flows.

Inactive Landfills - Inactive landfills consist of the Main Landfill at 58th Street (Main), the Ojus Landfill (Ojus), and the old South Dade Landfill (OSD).

The liability balance of $70.7 million as of September 30, 1999, decreased by $7.8 million when compared to the preceding year. The decrease resulted from the net effect of (1) $3.5 million accrued in the current period to adjust the recorded liability to the current estimate, and (2) a reduction of $11.3 million for current period expenditures.

Gantry Cranes Operating Agreement

The Seaport Department's gantry cranes were managed by a private company (the "Operating Company") under a Restated and Amended Operating Agreement (the "Agreement") dated

November 1, 1988. The agreement provided that the Operating Company collect all crane user fees on behalf of the County and remit to the County all fees collected, net of amounts retained by the Operating Company. During the term of the Restated and Amended Agreement, the County received approximately $3,900,000 (cumulative) from the Operating Company for user fees in excess of the amounts retained. In addition, the County believes the Operating Company has an obligation to repay the operating advances and unpaid ground lease rentals of approximately $11,500,000 that carried forward from the previous agreement, plus accrued interest thereon. This obligation has not been reflected in the accompanying financial statements. Such balances accrue simple interest at an annual rate of 7.8% and are reduced by excess usage fees paid by the Operating Company. The Seaport has received approximately $500,000 (cumulative) from the Operating Company for excess usage fees. The County believes that the collection of any amounts owed by the Operating Company pursuant to the Agreement is doubtful due to the negative net worth of the Operating Company.

In 1997, certain activities of the Operating Company came under investigation by local, state and federal authorities to determine whether user fees belonging to the County were spent by the Operating Company for improper or illegal purposes. In addition, a Board investigation indicates that shipping companies may not have been billed or were underbilled for gantry crane service.

The County has filed a claim against the Operating Company for breach of contract, breach of fiduciary duty, civil theft, and declaratory relief, among others. The County believes it has a claim against the Operating Company for recovery of improper expenditures. The full amount has not been determined. The County has concluded at this time that it is not possible to determine the amount, if any, that may be collectible from the Operating Company, if it is determined that amounts were spent improperly; therefore, no amounts have been recorded in the accompanying financial statements.

The Operating Company has filed a counterclaim against the County alleging that Seaport officials required them to pay for expenses that were not related to gantry crane activities; therefore, creating deficits that could have been used to reduce amounts owed to the Seaport. The outcome of these matters cannot presently be determined.

On May 19, 1998, pursuant to Resolutions R-456-98 and R-514-98, the County terminated the Agreement with the Operating Company and entered into an Interim Gantry Crane Management Agreement (the “Interim Agreement") with a company (the “Interim Operator") to take over the maintenance of the gantry cranes. Revenues for fiscal years 1999 and 1998 totaled $8.9 million and $9.4 million, respectively. Expenses for fiscal year 1998 are based on actual incurred approved expenditures from May 19, 1998 through the end of the fiscal year plus a proration of the fiscal year 1997 estimated costs for a total of $7.4 million. As part of the termination of the prior agreement, the Seaport has recorded the gantry crane inventory of equipment and parts of approximately $1 million.

Dredging Project

The Seaport Department entered into a contract in 1994 with a dredging company for the dredging of the Port of Miami’s south channel. The total cost of the project, including two approved change orders, was approximately $40.5 million. The performance of the contractual obligation was backed by a performance bond. In January 1997, the dredging company filed for chapter 11 bankruptcy protection and shortly thereafter demobilized its equipment and abandoned the project. In March 1998, the dredging company rejected the contract and prompted the County to make formal demand on the performance Bond Company (the “Bond Company"). When the Bond Company neither tendered the amount of the bond to the County, nor promptly started the project, the County filed suit against the Bond Company.

Also during fiscal 1998, the County discovered that the dredging company had billed the County approximately $29.3 million, however, they had completed only $19.4 million worth of the dredging project. Hence, over-billing the Seaport for approximately $9.9 million. The Seaport has recorded the amount of the over-payment as a construction advance.

During 1999, the Bond Company brought in a replacement contractor to complete the work left unfinished. Consequently, the replacement contractor abandoned the project leaving a significant amount of work pending. This matter is currently under litigation. The County has sought to recover the overpayment made by filing a proof of claim in the dredging company’s bankruptcy proceeding, as well as initiate a civil suit against the Bond Company. The Bond Company in turn has filed a counterclaim against the County seeking approximately $10 million in alleged damages.

Additional portions of the project have been completed, thereby reducing the estimated advance to approximately $8.9 million. The Seaport is currently holding approximately $2.0 million in retainage and has reported a loss reserve of approximately $7.0 million.

Building Lease/Usage Agreements

The Seaport entered into an office building lease agreement (the “Agreement") with one of its cruise line customers (the “Lessee") to finance and construct an office building and related improvements (the “Building") at the Seaport. The Building is to be occupied and used by the Lessee. The Seaport would assume any financing, up to a maximum of $16.65 million, entered into by the Lessee to finance the construction of the Building and would possess fee simple title to the Building. Under terms of the Agreement, the Lessee is to pay base rent of an amount per year equal to the debt service payments on the financing assumed by the Seaport. The financing is subject to the approval of the County.

The construction of the Building has been completed; however, the Seaport and the Lessee are currently in dispute over certain terms and conditions of the Agreement. As a result, the Seaport has neither assumed any financing which may have been entered into by the Lessee to finance the construction of the Building nor possesses fee simple title to the Building. Until the Seaport obtains title to the building and assumes any debt and any other uncertainties regarding the contract are resolved, the Seaport does not plan to include such asset and related liability, if any, in its financial statements to reflect the effects of the items described herein.

On May 19, 1998, the County approved R-572-98 authorizing the County Manager to execute a Master Agreement and a Terminal Usage Agreement with a major cruise line (the “Cruise Line"). The Master Agreement provided for the Cruise Line to contract for the construction of a multi-level parking garage and enhancements to three cruise terminals. Construction costs were capped at $60 million. A September 8th amendment provided for the County to issue purchase orders on behalf of sub-contractors to realize significant sales tax savings.

On December 15, 1998, the Board adopted R-1453-98 authorizing amendment number two to the Master Agreement, adopted in fiscal year 1998, providing for an increase in the construction project cost to $76 million. The parking garage and one of the terminals have been completed and are in use. Funding for this project comes from a grant from the Florida Seaport Transportation and Economic Development Council with the 50 percent matching funds provided from the proceeds of the 1998 and 1999 Sunshine State Loans.

During fiscal years 1998 and 1999, the Board approved various resolutions authorizing the County Manager to execute terminal usage agreements with two major cruise lines (the “Lines") and a terminal operating agreement with one of the cargo terminal operators. These agreements provide certain wharfage and dockage incentive discounts from the published Tariff in return for annual revenue guarantees and preferential berthing arrangements at certain terminal facilities. The cargo terminal operator agreement also provides for container yard improvements and reduced reefer rates.

The terminal usage agreements are 15 year contracts with five-year renewal options wherein each line guarantees to pay minimum annual revenues of not less than $6.5 million in the first year and increasing annually thereafter during the initial term of the agreements. The lines receive incentives ranging from 23 to a maximum of 33 percent from the published wharfage and dockage rates. Annual dockage and wharfage increases are capped, with only one increase per annum.

Other Commitments

Interlocal Agreement - The County has entered into an interlocal agreement with the City of Miami Beach, Florida regarding the use and disposition of the two thirds (2/3) portion of the Convention Development Tax (the “Tax"). The Tax is imposed by the County, pursuant to Section 212.0305(4)(b) of the Florida Statutes, on the leasing or letting of transient rental accommodations. Prior to this agreement, the tax proceeds were collected by the County and remitted to the City of Miami Beach. However, the interlocal agreement calls for the proceeds to reside with the County and be used to pay for the debt service on the Miami-Dade County Special Obligation and Refunding Bonds Taxable Series 1996A and Series 1996B (the “1996 Refunded Bonds"), totaling $180,403,000. During fiscal period 1998, the County issued Series 1997 Bonds (the “1997 Refunded Bonds") comprised of Subordinate Special Obligation Refunding Series 1997A, for $86,570,856, Subordinate Special Obligation Bonds, Series 1997B, for $170,008,377 and Subordinate Special Obligation Bonds, Series 1997C, for $41,961,440. The 1997 bond proceeds were used to refund a certain portion of the 1996 Refunded Bonds, provide additional funds for the construction of the performing arts center (the “Downtown PAC"), renovation and construction of other cultural facilities and acquire real property for the construction of a new multi-purpose professional sports facility (the “Arena Project"). The 1997 Refunded Bonds continue to have first lien on the taxes collected. The proceeds from the tax continue to be used to make an annual operational subsidy of $1.5 million to the Miami Beach Convention Center Complex (the “Complex") through March 31, 2002. For the period commencing April 1, 2002 through March 31, 2026, the County agreed to make annual capital improvements of $1.1 million to the Complex as well as subsidize actual operating deficits, the aggregate per year is not to exceed $4.5 million. The negotiations of the Arena Project which provided for the County’s purchase of approximately 19 acres of downtown Miami waterfront land for the construction of a professional sports facility also called for an annual operating subsidy, limited to $6.5 million, to Basketball Properties Ltd. (“BPL") to operate and manage the Arena on behalf of the County. BPL, an affiliate of the Miami Heat, will also finance and construct the Arena which is owned by the County.

Social Security Administration - The Social Security Administration (“SSA") contended that house staff of Jackson Memorial Hospital, are considered employees of the Public Health Trust and that their wages, therefore, should be subject to FICA taxation retroactive to January 1, 1980. The County, the State of Florida SSA and the Internal Revenue Service have signed an agreement to settle this matter. Pursuant to the agreement, the County made a lump sum payment of $17,900,000 plus accrued interest of $391,000. The County is also required to pay $4,350,000 discounted at 5% which is approximately $3,800,000 and is reflected in the accompanying financial statements.

Legal Contingencies

The County and State Attorney’s Office are conducting investigations of all payments and outstanding invoices due to discrepancies detected for certain Water and Sewer paving contracts. These investigations are ongoing and the ultimate outcome of such investigations is uncertain at this time.

The County is a defendant to other legal proceedings which occur in the normal course of operations. In the opinion of the County Attorney, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the County or the affected funds.

Departure Incentive Program

The County offered a Departure Incentive Program (the “Program") to employees with ten years of continuous service who are eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who will complete 20 years or more of continuous service, regardless of age, on or before January 31, 1996. Employees would be required to separate from service on or before January 31, 1996. The Program offered single health insurance coverage in a Dade County approved group health plan or a $300 a month cash payment for a minimum of eight years or until the employee becomes eligible for Medicare. A total of 953 employees have elected to participate in the program. The total estimated cost of the Program, discounted at 5%, is approximately $21,916,000 and is recorded in the General Long-term Obligations Account Group.

Arbitrage Rebates

At September 30, 1999, the County recorded obligations to rebate arbitrage interest earnings on certain General Obligation and Special Obligation Refunding and Equipment Floating Bonds (the “Bonds") issued after the passage of the Tax Reform Act of 1986. The proceeds of the Bonds were used to refund existing debt and to finance certain capital projects and acquisitions accounted for within the Governmental and Proprietary Fund Types of the County.

The rebate to the Federal Government at September 30, 1999, required to be paid within five years from the date of issuance and each five years thereafter, is estimated to be approximately $4.965 million. The arbitrage liability not expected to be paid with available financial resources is $1.939 million and is recorded in the General Long-Term Debt Account Group. The liability recorded by the Enterprise Funds at September 30, 1999 amounted to $3.026 million. The ultimate amount of the County’s obligation will be determined based on actual interest earned.

Federal and State Grants

Federal grant awards are audited in accordance with OMB Circular A-133 to determine that the terms and conditions of the grant awards have been complied with. State of Florida grant awards are subject to audit by the respective Florida grantor agencies.

Florida Statute Section 216.349 specifies certain requirements for entities that receive state grant and aid appropriations. Among these requirements is that an audit must be performed in compliance with the rules of the Auditor General for grant and aid appropriations which exceed a specified amount. It is management’s opinion that no material liabilities will result from any such audits.

Note 12 - Subsequent Events

On October 1, 1999, the Board adopted R-1049-99 authorizing the County to settle eminent domain proceedings by the County Attorney in connection with the acquisition of land located at 401 Brickell Avenue (the “Miami Circle") for prehistoric and archeological preservation. The negotiations contained in the Amended Consent Final Judgment (the “Judgment") call for compensation of $26.7 million to Brickell Point, LTD. including attorneys’ fees and other costs of $1.7 million. Title to the property will reside with the State of Florida, Department of Environmental Regulation, which contributed $15 million towards the the purchase price. The County is contributing $3 million from its Parks Program Bonds and an $8.7 million advance from the Trust for Public Land (“TPL") payable on installment on or before November 30, 2001.

On November 1, 1999, the County issued an additional $25,615,000 General Obligation Bonds (the “Parks Program Bonds," Series 1999). The Parks Program Bonds are the third series of Bonds to be issued pursuant to a voted authorization of $200 million General Obligation Bonds. The proceeds will be used to finance capital improvements and acquire neighborhood and regional parks, beaches, natural areas and recreational and heritage facilities within the County.

Note 13 - Interfund Transfers and Balances

	(in thousands)					
	Operating Transfers			esidual Equity ransfers	Interfund	
	In	Out	tributions	Out	Receivables	Payables
General Fund	$ 96,118	$ 303,751		$ 104	$ 19,662	$ 100
Special Revenue Funds						
Fire and Rescue	5,115	2,456				5,000
Health Development	7,830	128,463				21,818
Community and Social Development	51,277	34				5,656
Housing Agency Public Housing Division					14,962	12,582
Stormwater Utility		3,798				
Hurricane Restoration	536	3,616				1,133
Other Special Revenue	26,341	33,085			90	
Debt Service Funds						
General Obligations	109					
Other Special Obligations	52,183	5,207				
Capital Projects Funds						
Bond Projects	5,261	11,408				
Impact Fees		700				2,474
Other Capital Projects	27,843	13,115				3,926
Trust and Agency Funds						
Trust Funds	85	5,048			3,796	
Clerk of Circuit and County Courts						
Other Agency					130	
Internal Service Fund						
Self Insurance		56,320			15,775	
Enterprise Funds						
Transit Agency	103,430		$ 104			19,833
Solid Waste Management	520	872			2,698	2,303
Seaport	25					230
Aviation Department						1,163
Water and Sewer		25,849			4,539	1,166
Public Health Trust	217,049				21,918	3,806
Housing Agency Public Housing Division						2,380
TOTALS	$ 593,722	$ 593,722	$ 104	$ 104	$ 83,570	$ 83,570